

BEFORE THE
POSTAL RATE COMMISSION
WASHINGTON, D.C. 20268-0001

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POSTAL RATE COMMISSION
OFFICE OF THE SECRETARY

POSTAL RATE AND FEE CHANGES, 2001

Docket No. R2001-1

RESPONSE OF UNITED STATES POSTAL SERVICE
TO INTERROGATORIES OF THE ASSOCIATION FOR POSTAL COMMERCE
REDIRECTED FROM WITNESS KINGSLEY
(POSTCOM/USPS-T-39-1(b)-(c), 4, and 10)

The United States Postal Service hereby provides the responses to the following
interrogatories of the Association for Postal Commerce redirected from witness
Kingsley: POSTCOM/USPS-T-39-1(b)-(c), 4, and 10, filed on October 10, 2001.

Each interrogatory is stated verbatim and is followed by the response.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

By its attorneys:

Daniel J. Foucheaux, Jr.
Chief Counsel, Ratemaking


Joseph K. Moore

475 L'Enfant Plaza West, S.W.
Washington, D.C. 20260-1137
(202) 268-3078, fax -5402
October 23, 2001

**RESPONSE OF UNITED STATES POSTAL SERVICE
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REDIRECTED FROM WITNESS KINGSLEY**

POSTCOM/USPS-T39-1. Please confirm that there is a difference in address quality between automation mail and nonautomation mail. If you do not confirm, please explain.

(b) Please provide any studies, reports, or analyses addressing address quality issues including, but not limited to, the Undeliverable as Addressed report and Address Quality Study.

(c) Please provide the underlying data used to produce the studies, reports, and analyses in subpart (b) of this interrogatory and provide documentation of the methodology used by the Postal Service to analyze the data.

Response:

(b) and (c) The most recent Undeliverable as Addressed report and supporting data can be found in Docket No. R2000-1, USPS-LR-I-82.

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POSTCOM/USPS-T39-4. Please provide the labor rates by level of clerk excluding service wide costs for FY 01 and for the Test Year. Please provide the labor rates by level of clerk, fully loaded with service wide costs, for FY 01 and for the Test Year.

Response:

National average labor rates were computed in February 2001 for use in financial analysis. Estimated rates for FY 2001 are shown below. We understand that these are the best rates available. Estimated rates for the test year (FY 2003) are not available.

	Salary and Fringe Rate	Salary and Fringe plus Service Wide
PS 04 clerk	\$26.89	\$29.23
PS 05 clerk (with or without scheme)	\$30.75	\$33.43
PS 06 clerk	\$32.14	\$34.93
Casual clerk	\$11.74	\$11.83

Note that the inputs used to generate these disaggregated estimates do not necessarily correspond to the inputs ultimately employed to develop the aggregate estimates used in this proceeding. These estimates may, however, be appropriate for use in gauging the relative differences between pay levels.

**RESPONSE OF UNITED STATES POSTAL SERVICE
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POSTCOM/USPS-T-39-10. Please provide the most recent updates or issues of the Corporate Flats Strategy, Strategic Improvement Guide for Flats Processing (Pub.128), Management Instructions for handling Loop Mail (PO-420-1999-1), national Standard Operating Procedures (SOP) for processing flat-shaped mail, joint USPS-Periodicals Industry Operations Review team's March 1999 report, and instructions to the field stating national policies concerning FSM utilization, maximizing automation processing, and the proper staffing for all FSM operations.

Response:

The Corporate Flats Strategy has already been provided as USPS-LR -J-151. The most recent Strategic Improvement Guide for Flats Processing (Sept. 99) and Periodicals Operations Review Team Report (Mar. 99) was supplied in USPS-LR-I-193 as part of Docket No. R2000-1. Management Instruction for the Loop Mail Program (PO-420-1999-1) has been provided as USPS-LR-J-147. The Standard Operating Procedure for flats is part of the Strategic Improvement Guide; nothing separate has been issued.

Instructions to the field regarding utilization and "up the ladder" processing, flats issues, and results are discussed at Area Managers Operations Support bi-weekly telecons and Area Flats Coordinators telecons with Headquarters. The attached spreadsheet is provided to the field each accounting period to support those discussions.

**FLATS PERFORMANCE ACHIEVEMENT
FY2001**

AP 13

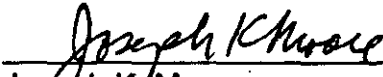
NATIONAL TOTAL

Actual Performance					FY 2001 Target		Performance to Target	
LDC	Function 1	TPH (000)	Hours	Productivity	Productivity		Productivity	
12	AFSM 100	1,369,373	882,688	1,551	3,000		-1,449	
12	FSM 1000	371,663	808,806	460	603		-143	
12	FSM 881	306,351	660,317	464	574		-110	
14	Flats - Manual	351,655	801,399	439	462		-23	
	Total F1 Flats	2,399,043	3,153,210	761	783		-22	
LDC	Function 4	Volume (000)	Hours	Productivity	Volume (000)	Hours	Volume (000)	Hours
42	Flats - Auto / Mech	11,881	N/A	N/A			Diff SPLY	Diff PLAN
43 & 44	Flats - Manual Unit & Box	1,647,632	N/A	N/A	vs. SPLY		-401,687	
	Total F4 Flats	1,659,513	N/A	N/A				
41,42,43,44								
4	Total F4 Letters & Flats	7,251,863	7,129,529	1,017	vs. SPLY	vs. PLAN	-687,323	-485,785
	Total F1 + F4 Flats	4,058,555						
Up-The-Ladder:		% of Total Work Load		% of Total Work Load		% of Total Work Load		
Work Load		F1	F1+ F4	F1	F1+ F4	F1	F1+ F4	
AFSM 100		57%	34%	35%	27%	22%	7%	
FSM 1000		15%	9%	14%	10%	1%	-1%	
FSM 881		13%	8%	43%	34%	-30%	-26%	
Manual		15%	9%	8%	6%	7%	3%	
Total Function 1		100%	59%	100%				
Flats - FSM			0%					
Flats - Manual Unit & Box			41%		23%		18%	
Total F1 + F4			100%		100%			
Up-The-Ladder:		% of Total		% of Total		% of Total		
Hours		F1		F1		F1		
AFSM 100		28%		9%		19%		
FSM 1000		26%		18%		8%		
FSM 881		21%		59%		-38%		
Manual		25%		14%		11%		
Total Function 1		100%		100%				
Other		Hours		Hours		Hours		
Flats - AFSM Mail Prep		403,346				Diff PLAN		
Total LDC 17		9,550,210		vs. PLAN		-177,578		
Process Indicators								
# of Zones on FSM		TBD		8,800		Diff Plan		
# of Routes on FSM		TBD		137,475		Diff Plan		

11/14/2001 10:57:10

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing document upon all participants of record in this proceeding in accordance with section 12 of the Rules of Practice.



Joseph K. Moore

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October 23, 2001